

# HOUSE BILL REPORT

## SSB 5176

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**As Reported by House Committee On:**  
Economic Development, Agriculture & Trade

**Title:** An act relating to consolidation of department of community, trade, and economic development statutory obligations and repealing obsolete statutes.

**Brief Description:** Regarding department of community, trade, and economic development programs.

**Sponsors:** Senate Committee on International Trade & Economic Development (originally sponsored by Senators Shin, Doumit, Rasmussen, Eide, Roach and Berkey).

**Brief History:**

**Committee Activity:**

Economic Development, Agriculture & Trade: 3/23/05, 4/1/05 [DP].

**Brief Summary of Substitute Bill**

- Repeals statutes requiring the Department of Community, Trade and Economic Development (DCTED) to administer defunct programs.
- Updates and consolidates some DCTED statutes.

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### HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

**Majority Report:** Do pass. Signed by 20 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Blake, Buri, Chase, Clibborn, Dunn, Grant, Haler, Holmquist, Kenney, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow and Wallace.

**Staff:** Tracey Taylor (786-7196).

**Background:**

In 1993, the Legislature created the Department of Community, Trade and Economic Development (DCTED) by combining the Department of Community Development and the Department of Trade and Economic Development.

In 1987, the Legislature directed the DCTED to implement an employee ownership program within its existing technical assistance programs. The DCTED was directed to maintain a list of firms and individuals with expertise in the field of employee ownership and deliver and coordinate the delivery of technical, managerial, and educational services. Beginning

December 1, 1988, the DCTED was required to deliver an annual report to the Governor and the Legislature on the accomplishments of the employee ownership program. In 1997, the Legislature eliminated the funding for the employee ownership program in the 1997-99 biennial budget. The last annual report was delivered in December 1996. Some of the services and technical assistance have been provided on a limited basis, but there is no staff position assigned to the program.

In 1989, the Legislature created the Investment Opportunities Office (Office) in the Business Assistance Center at the DCTED. The purpose of the Office was to guarantee that entrepreneurs and investors have institutional means of meeting their respective needs for access to capital and information on investment opportunities. In 1995, with the elimination of the Business Assistance Center, the Office activities ceased as did the funding for the services.

In 1992, the Legislature enacted legislation creating a Senior Environment Corps. The goals of the Corps were: to carry out projects that focus on natural, environmental, and recreational resources; to provide opportunities for seniors to use their professional expertise; to assist state agencies in carrying out statutory responsibilities; and to provide public outreach and education. A Senior Environmental Corps Coordinating Council (Council) was created to oversee the operation of the Corps. Nine natural resources, environmental, health and recreational agencies are members of the Council. The staff support the Department of Community Development required was contingent upon funding in the budget, but was never funded. In addition, the Council was disbanded in 1999.

Until 1995, the Community Economic Revitalization Board (CERB) had a private activity bond program and a subcommittee to oversee the program. The CERB approved the motion to discontinue marketing the program in 1994.

The Community Revitalization Team (CRT), which focused on rural development, was consumed into the Project Development and Community Economic Assistance activities within the Economic Development Division when the Department of Community Development was merged into the DCTED. The definitions associated with this program still remain in statute.

The DCTED continues to issue loans under the Rural Washington Loan Fund, with five loans issued in the past year. In 1994, the Legislature terminated the requirement for a loan committee; however, the committee references remain in statute, and the DCTED continues to support the loan committee.

In 1997, the Legislature created a Rural Enterprise Zone program. The program allows applications to be submitted on behalf of a local government to create a zone to attract and develop businesses.

In 1993, the Legislature created a Small Business Bonding Assistance Program for minority and women-owned businesses. The program was tasked with providing technical assistance in the areas of marketing, finance, and management, and access to capital resources, bonds and contracts, to help start and expand minority and women-owned business, and to increase the

participation of these businesses in international trade, public works and construction, and public facility concessions.

In 1999, the Legislature created a grant program for business recruitment. The grants were to go to qualified associate development organizations for recruitment activities. However, there was never an appropriation for the program in any biennial budget.

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**Summary of Bill:**

The definition of "distressed areas" in the Community Revitalization Team statutes is eliminated and all references to the definition are changed to the similar definition for the Rural Washington Loan Fund. The powers given to the loan committee in the Rural Washington Loan Fund are transferred to the Director of the DCTED. The formation and use of a loan committee are optional.

The DCTED is directed to cooperate with the Economic Development Commission in developing and implementing strategic plans. In addition, the DCTED is authorized to solicit and receive gifts for film and video production purposes.

Statutory references to foreign trade offices, providing technical assistance in attracting capital, and providing entrepreneurial training to women and minority-owned businesses are eliminated as separate statutes and are integrated with the DCTED's general trade and business responsibilities.

Statutory references to the Employee Ownership program are eliminated as are the references to the Business Assistance Center.

A number of statutes are repealed, including the statute requiring the DCTED to distribute pamphlets. In addition, the Investment Opportunities Office statutes are repealed. The statutes requiring the DCTED to run the Marketplace Program and the Rural Enterprise Zones are repealed. The DCTED, the Department of Ecology, the Department of Agriculture, the Department of Natural Resources, the Department of Health, the Department of Fish and Wildlife, the Office of Public Lands, and the Puget Sound Water Quality Office are no longer required to provide staff support services to the defunct Senior Environmental Corps Coordinating Council. Finally the statutes directing the DCTED to implement a small business bonding assistance program are repealed.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2005.

**Testimony For:** This is house cleaning legislation that eliminates programs that are past their usability or that have never been funded in a budget. It is the result of work over the interim

of the DCTED and Senate staff. There is nothing being eliminated that the DCTED is currently doing, therefore there is no cost savings this biennium as the result of the bill; however there could be some small savings in staff time who will no longer have to respond to inquiries regarding the unfunded programs.

**Testimony Against:** None.

**Persons Testifying:** Senator Shin, prime sponsor; and Deborah Stephens, Department of Community, Trade and Economic Development.

**Persons Signed In To Testify But Not Testifying:** None.